

Alpine Metal Tech Denmark ApS

Knud Bro Allé 8
3660 Stenløse

CVR no. 89 38 69 18

Annual report 2016

The annual report was presented and approved at the
Company's annual general meeting
on 31 May 2017


Claus Pedersen

Alpine Metal Tech Denmark ApS
Annual report 2016
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Statement by the Executive Board


The Executive Board has today discussed and approved the annual report of Alpine Metal Tech Denmark ApS for the financial year 1 January – 31 December 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

We recommend that the annual report should be approved at the annual general meeting.

Stenløse, 31 May 2017
Executive Board:



Claus Lønstrup Pedersen
Managing Director



Independent auditor's report

To the shareholder of Alpine Metal Tech Denmark ApS

Opinion

We have audited the financial statements of Alpine Metal Tech Denmark ApS for the financial year 1 January – 31 December 2016, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view



Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 31 May 2017

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

A blue ink signature, appearing to read 'P. E. Olsen', written in a cursive style.

Per Ejning Olsen
State Authorised
Public Accountant

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Company details

Alpine Metal Tech Denmark ApS
Knud Bro Allé 8
3660 Stenløse

Telephone:	+45 47 10 71 71
Website:	www.alpinemetaltech.com
E-mail:	denmark@alpinemetaltech.com
CVR no.:	89 38 69 18
Established:	16 January 1980
Registered office:	Egedal
Financial year:	1 January – 31 December

Executive Board

Claus Lønstrup Pedersen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København
Denmark

Annual general meeting

The annual general meeting will be held on 31 May 2017.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2016	2015
Gross profit		5,281	14,288
Staff costs	3	-4,651	-11,105
Amortisation and depreciation		-139	-188
Ordinary operating profit		491	2,995
Financial income		0	846
Financial expenses		-112	-203
Profit before tax		379	3,638
Tax on profit for the year	4	-90	-923
Profit for the year		<u>289</u>	<u>2,715</u>
 Proposed profit appropriation			
Retained earnings		<u>289</u>	<u>2,715</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
ASSETS			
Non-current assets			
Intangible assets	5		
Software		108	226
		<u>108</u>	<u>226</u>
Property, plant and equipment	6		
Plant and machinery		41	61
Tools and equipment		8	8
		<u>49</u>	<u>69</u>
Total non-current assets		<u>157</u>	<u>295</u>
Current assets			
Receivables			
Trade receivables		1,259	1,938
Receivables from group entities		12,945	12,839
Deferred tax		130	221
Corporation tax		50	0
Prepayments		176	521
		<u>14,560</u>	<u>15,519</u>
Cash at bank and in hand		<u>279</u>	<u>3,395</u>
Total current assets		<u>14,839</u>	<u>18,914</u>
TOTAL ASSETS		<u>14,996</u>	<u>19,209</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
EQUITY AND LIABILITIES			
Equity			
Share capital	7	5,000	5,000
Retained earnings		8,365	8,076
Total equity		13,365	13,076
Current liabilities			
Trade payables		358	1,598
Corporation tax		0	456
Other payables		1,273	4,079
		1,631	6,133
Total liabilities		1,631	6,133
TOTAL EQUITY AND LIABILITIES		14,996	19,209
Contractual obligations, contingencies, etc.	8		
Mortgages and collateral	9		
Related parties	10		

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Alpine Metal Tech Denmark ApS for 2016 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the items revenue, costs for raw materials and consumables and other external costs have been aggregated to the item gross profit.

Revenue

Revenue from the sale of machines and spare parts is recognised in the income statement provided that transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured ex. VAT, and taxes charged on behalf of third parties.

Costs for raw materials and consumables

Costs for raw materials and consumables comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs for raw materials and consumables.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Other external costs

Other external costs comprise of costs for buildings, sales costs and other fixed costs. Costs are accrued according to the period the costs concern.

Staff costs

Staff costs comprise wages to personnel, pension contributions and other social security expenses.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Intangible assets and property, plant and equipment

Software, plant and machinery, fixtures and fittings, tools and equipment are measured at cost less accumulated amortisation, depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub suppliers, and wages and salaries.

Amortisation and depreciation are provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Software	5 years
Plant and machinery	5-12 years
Fixtures and fittings, tools and equipment	3-5 years

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Impairment of assets

The carrying amount of property, plant and equipment is subject to an annual impairment test.

When there is an indication that assets may be impaired, an impairment test of each individual assets and group of assets is made. Write-down to the recoverable amount is made, if this amount is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses based on an individual assessment of receivables.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Liabilities other than provisions

Liabilities other than provision are measured at net realisable value.

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2 Principal activities

Alpine Metal Tech Denmark ApS is part of the Alpine Metal Tech Group, which is part of the Montana Group. The Alpine Metal Tech Group operates on the world market for supply of marking machines to the steel industry and has activities in Austria, Denmark, England, Germany, USA and China.

The principal activities in Alpine Metal Tech Denmark ApS comprise sales work and services in defined markets on behalf of other companies within the Alpine Metal Tech Group.

	DKK'000	2016	2015
3 Staff costs			
Wages and salaries		4,374	10,684
Pensions		215	261
Other social security costs		62	160
		<u>4,651</u>	<u>11,105</u>

Average number of employees	<u>9</u>	<u>14</u>
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Pursuant to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.

	DKK'000	2016	2015
4 Tax on profit for the year			
Current tax for the year		0	977
Adjustment for the year of deferred tax		90	-54
		<u>90</u>	<u>923</u>

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5 Intangible assets

DKK'000	Software
Cost at 1 January 2016	1,525
Additions	0
Cost at 31 December 2016	1,525
Amortisation and impairment losses at 1 January 2016	1,299
Amortisation	118
Amortisation and impairment losses at 31 December 2016	1,417
Carrying amount at 31 December 2016	108

6 Property, plant and equipment

DKK'000	Plant and machinery	Tools and equipment	Total
Cost at 1 January 2016	665	2,214	2,879
Additions	0	0	0
Disposals	0	0	0
Cost at 31 December 2016	665	2,214	2,879
Depreciation and impairment losses at 1 January 2016	603	2,206	2,809
Disposals	0	0	0
Depreciation for the year	21	0	21
Depreciation and impairment losses at 31 December 2016	624	2,206	2,829
Carrying amount at 31 December 2016	41	8	49

7 Equity

Share capital

The share capital consists of 50 shares of nom. DKK 100 thousand each. All shares rank equally. The share capital has not been changed for the last five years.

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Treasury shares

The Company holds two treasury shares of nom. DKK 100 thousand each, totalling DKK 200 thousand. The Company holds a stake of 4% of the share capital.

The Company has not acquired or sold any treasury shares in the financial year.

8 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company has provided guarantees for commitments according to tenancy agreement totalling DKK 0 thousand (2015: DKK 400 thousand).

Lease obligations

The Company has entered into operating leases, of which DKK 188 thousand falls due within one year. The leases have remaining terms of 6-12 months.

9 Mortgages and collateral

The Company has pledged its trade receivables to Danske Bank through a floating company charge. The pledge is to cover any debt to Danske Bank. The floating company charge is maximised at DKK 3,750 thousand. Alpine Metal Tech Denmark ApS' debt to Danske Bank at 31 December 2016 amounts to DKK 0 thousand.

10 Related party transactions

The Company's related parties comprise members of the former Board of Directors and the Executive Board in Alpine Metal Tech ApS Denmark, the principal shareholder Alpine Metal Tech GmbH, Austria, and other group entities.

No agreements or transactions with members of the former Board of Directors and the Executive Board have been made, in which the members have financial interest other than indicated by the terms and conditions of employment.

The activities in Alpine Metal Tech Denmark ApS are carried out in close cooperation with other companies in the Alpine Metal Tech Group, and as a consequence, there is a significant amount of intercompany transactions that are recognised according to agreements. In 2016 and especially in 2015, the Company realised non-recurring income due to the transfer of activities and rights to another group entities.

In the opinion of the Executive Board, all intercompany transactions are carried out on an arm's length basis.

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Ownership

The following shareholders are registered in the Company's register of shareholders as holding at least 5% of the voting rights or at least 5% of the share capital:

Alpine Metal Tech Holding GmbH, Buchbergstrasse 11, 4844 Regau, Austria.

The ultimate parent company of the Company is Montana Tech Components AG, and the consolidated financial statements for Montana Tech Components can be obtained at www.montanatechcomponents.com.